GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1238
ANSWERED ON:15.07.2004
SPECIAL PACKAGE TO HEC RANCHI
Mehta Shri Bhubneshwar Prasad

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Union Government propose to provide special package to Heavy Engineering Corporation Ranchi, Jharkhand so as to stop its closure;

(b) if so, the details thereof;

(c) whether the State Government has also made a request in this regard; and

(d) if so, the details thereof and the reaction of Union Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTRPRISES (SHRI SONTOSH MOHAN DEV)

(a) & (b) Heavy Engineering Corporation (HEC), Ranchi was referred to Board of Industrial and Financial Reconstruction (BIFR) in 1992. BIFR in 1996 sanctioned a package of revival of HEC but the company could not be revived. In July, 2002, while monitoring implementation of revival package. BIFR declared that the package has failed and has issued show cause notice for winding up of HEC. On 07.07.2004 BIFR has passed the orders for winding up of HEC. The matter regarding future of HEC is proposed to be reviewed in the light of recent announcement by Government regarding formation of Board for Reconstruction of Public Sector Enterprises.

(c) & (d) Yes Sir, State Government of Jharkhand (GOJ) have expressed their willingness to provide Rs.493.84 Crs to HEC for liquidation of their electricity and sales tax dues subject to GOI agreeing to waive its loan of about Rs.730 crs and extending cash support amounting to Rs.432 crs, approximately in addition to allowing GOJ to resume entire surplus land of HEC. GOJ has been informed that the offer made by them is inadequate to revive the company.